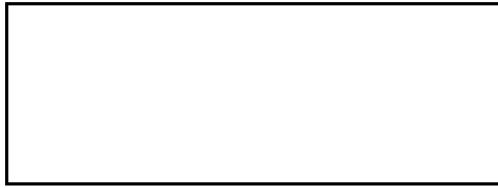


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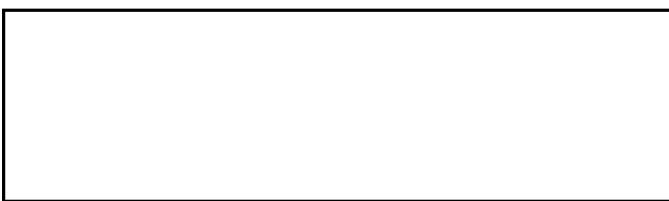
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France: [The Communist Party's decision to abstain on the runoff balloting for the presidency probably was an attempt to resolve conflicting internal and external pressures with least damage to the party.]

[The decision probably was taken not to advance or hinder the candidacy of either Pompidou or Poher. The effect of the boycott, however, is to enhance Pompidou's chances for victory. Poher would need nearly all the votes that went to the Communist candidate as well as to other leftist candidates.]

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[Party leaders themselves may be uncertain at this point whether a Poher presidency would be more advantageous to the Communists than a Pompidou presidency. While Poher's election probably would mean an eventual dissolution of the parliament and a consequent chance for the Communists to increase their representation, his victory might also consolidate center-left cooperation with the Communists frozen out. If Pompidou is elected and proves a strong president, the Communists might be able to exert less influence in the short run but in the long run might again be able to make common cause with the non-Communist left.]

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Chile: [Negotiations between the government and a large US copper company promise to be difficult.]

[The Chilean Government, pushed by rising nationalistic sentiment, wants to acquire at least a 51-percent interest in the operations of the Anaconda company in an arrangement similar to the one it now has with Kennecott copper company. Anaconda mines about 50 percent of Chile's copper output. Most of the company's world-wide operations are in Chile.]

[President Frei is pressing for the 51-percent deal because he believes that anything less would provoke nationalization legislation. Although he has emphasized that any nationalization of the copper companies would be accompanied by offers of compensation, it will be very difficult to work out a settlement agreeable to both the government and the company. Chile is thinking in terms of compensating for book value, which would be \$300 to \$400 million. Anaconda, on the other hand, values its properties in Chile at \$900 million. Frei would be unlikely to veto nationalization legislation unless he was sure that he had a politically acceptable alternative to offer.]

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